

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1590

Introduced by Assembly Member Leno

February 23, 2007

~~An act to amend Section 14000.5 of the Government Code, relating to transportation.~~ *An act to add Part 5.6 (commencing with Section 11160) to Division 2 of the Revenue and Taxation Code, relating to local government finance.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1590, as amended, Leno. ~~Transportation.~~ *Local vehicle license fee: San Francisco.*

Existing law authorizes certain counties to impose a local vehicle license fee of \$10 per year, as provided, for the privilege of operating specified vehicles on public roads in the county. Existing law requires a county imposing this fee to contract with the Department of Motor Vehicles to collect and administer the fee, as specified.

This bill would authorize the City and County of San Francisco to impose a local vehicle license fee for specified vehicles if certain conditions, including approval by local voters, are met. This bill also would require the city and county to contract with the department to collect and administer the fee, as provided.

The Personal Income Tax Law and the Corporation Tax Law authorize various deductions against the income that is otherwise subject to tax under those laws, including a deduction for local taxes that were paid or incurred by a taxpayer.

This bill would require the Franchise Tax Board to notify the department of estimated revenue losses to the state resulting from

taxpayers deducting, for purposes of the Personal Income Tax Law and the Corporation Tax Law, the local vehicle license fees authorized by this bill. This bill also would require the department to transmit from the fees collected an amount equal to these reported losses for deposit in the General Fund, as specified, and to transmit to the board an amount equal to the board's administrative costs in making this report.

~~Existing law states the findings and declarations of the Legislature regarding the role of the state in transportation.~~

~~This bill would make nonsubstantive changes to these findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 5.6 (commencing with Section 11160) is
2 added to Division 2 of the Revenue and Taxation Code, to read:

3
4 PART 5.6. CITY AND COUNTY OF SAN FRANCISCO VEHICLE
5 LICENSE FEE LAW

6
7 11160. This part is applicable only to the City and County of
8 San Francisco.

9 11161. For purposes of this part:

10 (a) "Board of supervisors" means the Board of Supervisors of
11 the City and County of San Francisco.

12 (b) "City and county" means the City and County of San
13 Francisco.

14 (c) "Department" means the Department of Motor Vehicles.

15 (d) "Market value" has the same meaning and shall be
16 determined in the same manner as required under Part 5
17 (commencing with Section 10701) of Division 2.

18 (e) "Person" includes an individual, a firm, a corporation, a
19 limited liability company, a partnership, or any other legal entity.

20 (f) "Resident of the city and county" means a person whose
21 address, as reflected in department registration records, is in the
22 city and county, but does not include a person that establishes to
23 the satisfaction of the department that the person's place of
24 residence is elsewhere.

1 11162. Notwithstanding Section 10758, the board of
2 supervisors may, by ordinance, impose a local vehicle license fee
3 for general revenue purposes pursuant to this part, if all of the
4 following conditions are met:

5 (a) The ordinance proposing the fee complies with both of the
6 following:

7 (1) Section 11163.

8 (2) Article 3.7 (commencing with Section 53720) of Chapter 4
9 of Division 2 of Title 5 of the Government Code.

10 (b) The ordinance proposing the fee is approved by two-thirds
11 of all members of the board of supervisors.

12 (c) The ordinance proposing the fee is submitted to the electorate
13 of the city and county and is approved by a majority vote of the
14 voters voting on the ordinance.

15 (d) The board of supervisors transmits to the department and
16 the Franchise Tax Board a certified copy of the ordinance imposing
17 that fee immediately after the results of the election described in
18 subdivision (c) are certified.

19 11163. An ordinance imposing a local vehicle license fee
20 pursuant to this part shall contain provisions in substance as
21 follows:

22 (a) A provision that the fee is imposed for the privilege of a
23 resident of the city and county to operate upon the public highways
24 in the city and county a vehicle or trailer coach, the registrant of
25 which is subject to tax under Part 5 (commencing with Section
26 10701).

27 (b) (1) A provision establishing the annual amount of the fee
28 at a rate that equals the difference between the following two rates:

29 (A) Two percent of the market value of the vehicle or trailer
30 coach.

31 (B) The rate, including any offset to that rate, set forth in Part
32 5 (commencing with Section 10701), for a vehicle or trailer coach.

33 (2) A provision that the rate established under the provision
34 described in paragraph (1) is subject to both of the following:

35 (A) That the rate may not exceed 2 percent of the market value
36 of the vehicle or trailer coach.

37 (B) That any adjustment that is required to be made to the rate
38 because of a change in the rate, or any offset to that rate, set forth
39 in Part 5 (commencing with Section 10701), shall not take effect
40 until the first day of the first fiscal year that follows the fiscal year

1 in which the change to the rate or offset set forth in that part
2 became operative.

3 (c) A provision that the fee will begin to be imposed as follows:

4 (1) If the election in which the ordinance receives voter approval
5 occurs between January 1 and June 30, on the first January 1 that
6 follows that election.

7 (2) If the election in which the ordinance receives voter approval
8 occurs between July 1 and December 31, on the first July 1 that
9 follows that election.

10 (d) Provisions identical to those contained in Part 5
11 (commencing with Section 10701), insofar as they relate to vehicle
12 license fees and are applicable, except that the name of the city
13 and county as the taxing agency shall be substituted for that of the
14 state.

15 (e) A provision that all amendments, subsequent to the effective
16 date of the local vehicle license fee ordinance, to Part 5
17 (commencing with Section 10701) relating to vehicle license fees
18 and not inconsistent with this part, shall automatically be
19 incorporated into the local vehicle license fee ordinance.

20 (f) A provision that requires the city and county to contract with
21 the department, which contract shall contain provisions in
22 substance as follows:

23 (1) A requirement that the department perform all functions
24 incident to the administration and collection of the local vehicle
25 license fee.

26 (2) A provision specifying the manner in which refunds to
27 licensees pursuant to Part 5 (commencing with Section 10701),
28 as incorporated in the local vehicle license fee ordinance pursuant
29 to subdivisions (c) and (d), will be made and administered.

30 (3) A provision that requires the city and county to pay the
31 department for the initial setup and programming costs identified
32 by the department.

33 11164. The department shall do all of the following:

34 (a) Collect the local vehicle license fee pursuant to a contract
35 with the city and county.

36 (b) Deduct its costs in administering the local vehicle license
37 fee from the fees collected under subdivision (a).

38 (c) (1) From the fees collected under subdivision (a), transmit
39 to the Controller for deposit in the General Fund the amount
40 reported under subdivision (a) of Section 11166.

1 (2) *From the fees collected under subdivision (a), transmit to*
2 *the Franchise Tax Board the amount reported under subdivision*
3 *(b) of Section 11166.*

4 (d) *Transmit revenues derived from the fees collected under*
5 *subdivision (a) to the city and county as promptly as feasible.*

6 (e) *Report annually to the Franchise Tax Board, at a time and*
7 *in a manner prescribed by the Franchise Tax Board, the names,*
8 *addresses, and the amount paid by each person or entity that paid*
9 *a tax imposed under this part in the prior year, and the taxpayer*
10 *identification numbers or social security numbers of these same*
11 *persons.*

12 11165. *This part shall not be construed to supplant any moneys*
13 *that the state apportions to the City and County of San Francisco,*
14 *including, but not limited to, moneys apportioned to that entity*
15 *under the Vehicle License Fee Law set forth in Part 5 (commencing*
16 *with Section 10701), or any successor to that law.*

17 11166. *On or before January 1 of the second year that follows*
18 *a year, or portion thereof, in which a tax is imposed pursuant to*
19 *this part, the Franchise Tax Board shall report to the department*
20 *both of the following:*

21 (a) *An estimate of the total amount of the revenue loss to the*
22 *state for the prior year resulting from deductions taken under the*
23 *Personal Income Tax Law (Part 10 (commencing with Section*
24 *17001)) and the Corporation Tax Law (Part 11 (commencing with*
25 *Section 23001)) for taxes paid or incurred as a result of a tax being*
26 *imposed pursuant to this part.*

27 (b) *The total amount of costs incurred by the Franchise Tax*
28 *Board for determining and reporting the amount described in*
29 *subdivision (a).*

30 SEC. 2. *The Legislature finds and declares that a special law*
31 *is necessary and that a general law cannot be made applicable*
32 *within the meaning of Section 16 of Article IV of the California*
33 *Constitution because of the unique fiscal hardship being*
34 *experienced in the City and County of San Francisco in providing*
35 *vital public services.*

36 ~~SECTION 1. Section 14000.5 of the Government Code is~~
37 ~~amended to read:~~

38 ~~14000.5. The Legislature further finds and declares that the~~
39 ~~role of the state in transportation shall be to:~~

1 ~~(a) Encourage and stimulate the development of urban mass~~
2 ~~transportation and interregional high-speed transportation where~~
3 ~~found appropriate as a means of carrying out the policy of~~
4 ~~providing balanced transportation in the state.~~

5 ~~(b) Implement and maintain a state highway system that supports~~
6 ~~the goals and priorities determined through the transportation~~
7 ~~planning process, that is in conformity with comprehensive~~
8 ~~statewide and regional transportation plans, and that is compatible~~
9 ~~with statewide and regional socioeconomic and environmental~~
10 ~~goals, priorities and available resources.~~

11 ~~(c) Assist in the development of an air transportation system~~
12 ~~that is consistent with the needs and desires of the public, and in~~
13 ~~which airports are compatible in location with, and provide services~~
14 ~~meeting, statewide and regional goals and objectives.~~

15 ~~(d) Develop a rail passenger network consistent with the needs~~
16 ~~and desires of the public, and in which the location of rail corridors~~
17 ~~and their service characteristics are compatible with statewide and~~
18 ~~regional goals and objectives, except that nothing in this section~~
19 ~~shall be construed to discourage the development of passenger rail~~
20 ~~service by privately owned carriers.~~

21 ~~(e) Encourage research and development of technological~~
22 ~~innovation in all modes of transportation in cooperation with public~~
23 ~~agencies and the private sector.~~